

Message Text

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70

ACTION ARA-10

INFO OCT-01 ISO-00 SEC-01 JUSE-00 TRSE-00 FTC-01 CIAE-00

DODE-00 PM-03 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 AID-05 EB-07 COME-00 /070 W

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P R 162200Z JUL 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC PRIORITY 7411

INFO AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

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E.O. 11652 NA

TAGS: PINT, EINV, GT

SUBJ: WALL STREET JOURNAL AND DEL MONTE - PRESS COVERAGE

1. SUMMARY. PRESS COVERAGE OF WSJ STORY CONTINUES HEAVY. PRESSURE ON DEL MONTE TO REVEAL NAME OF ITS "CONSULTANT" IS INCREASING RAPIDLY, AS IS SPECULATION OVER IDENTITIES OF GOVERNMENT OFFICIALS WHOM CONSULTANT MAY HAVE BRIBED. JULY 16 BROUGHT THE FIRST EDITORIAL COMMENT. END SUMMARY.

2. HEAVY COVERAGE OF WSJ STORY CONTINUES IN ALL PAPERS. JULY 16 PRENSA LIBRE CARRIED BANNER HEADLINE THAT GUATEMALAN AMBASSADOR ASENSIO HAD BEEN "URGENTLY SUMMONED" TO GUATEMALA, AND THAT HE HAD SPENT MORE THAN TWO HOURS TALKING WITH FONMIN MOLINA AFTERNOON JULY 15. (AS DEPARTMENT AWARE, ASENSIO HAD IN FACT RETURNED TO GUATEMALA FOR PREVIOUSLY SCHEDULED CONSULTATIONS.)

3. PRESSURE ON DEL MONTE TO REVEAL NAME OF ITS "CONSULTANT" IS INCREASING RAPIDLY. REPRESENTATIVES
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OF LOCAL DEL MONTE SUBSIDIARY BANDEGUA REPORTED TO HAVE

MET WITH MINISTER OF ECONOMY PALOMO AFTERNOON JULY 15, AND TO HAVE PROMISED PALOMO TO CONVEY GOG'S REQUEST FOR MORE INFORMATION TO HOME OFFICE. ALL NEWSPAPERS SUPPORTED GOG MOVES TO ASCERTAIN IDENTITY OF THE DEL MONTE CONSULTANT.

4. THERE IS ALSO INCREASING SPECULATION ABOUT WHICH GOG OFFICIALS CONSULTANT MIGHT POSSIBLY HAVE INFLUENCED IN DEL MONTE'S FAVOR. PRO-LAUGERUD LA NACION OF JULY 16 CARRIED INTERVIEW WITH JULIAN PRESA, ONE OF THE UNSUCCESSFUL BIDDERS FOR BANANA CONTRACTS IN 1972, IN WHICH PRESA SAID THAT THEN MINISTER OF ECONOMY CARLOS MOLINA MENCOS HAD INSISTED ON SEEING "CASH IN HAND" DURING ONE PHASE OF THEIR NEGOTIATIONS, AND THAT PRESA HAD BEEN UNABLE TO PRODUCE THE MONEY ON SUCH SHORT NOTICE. ATTENTION DRAWN TO MOLINA IN TWO OTHER NACION STORIES AS THE OFFICIAL WITH RESPONSIBILITY FOR OVERSEEING THE TRANSFER OF UB'S RIGHTS.

5. PRESS OF JULY 16 CARRIES FIRST EDITORIALS. INFLUENTIAL GRAFICO SAID THAT EXPOSURE OF ILLEGAL ACTIVITIES BY US-BASED MULTINATIONALS MAY BE A USG EFFORT TO "PURIFY" THEM "IN ORDER TO MAKE THEM MORE ACCEPTABLE" ABROAD. EDITORIAL ATTEMPTED RATHER CYNICAL AND BLASE ATTITUDE TOWARD WHOLE AFFAIR.

6. PRO-LAUGERUD LA NACION CARRIED EDITORIAL WHICH MAY REFLECT MANY OF LAUGERUD'S OWN FEELINGS ABOUT THE CASE: "SIMPLE SUSPICION OF SUCH AN OPERATION DAMAGES THE NATION'S INTERNATIONAL IMAGE, AND THIS DAMAGE WILL NOT BE REPAIRED UNTIL IT IS ESTABLISHED WHO WAS BRIBED, IF THERE WAS A BRIBE, AND WHAT WAS ITS EXTENT. AT A TIME WHEN GUATEMALA HAS OBTAINED AND IS SEEKING FOREIGN CREDITS FOR DEVELOPMENT, JOURNAL REPORT COULD PREJUDICE NEGOTIATIONS FOR SUCH CREDITS. IN ADDITION, IT IS BY NO MEANS PLEASANT FOR A COUNTRY TO BE ON LIST OF THOSE WHOSE GOVERNMENTS FAVOR MULTINATIONAL ENTERPRISES, UNDER THE STIMULUS OF BRIBES, GRATUITIES, OR REWARDS, BECAUSE WHATEVER THESE THINGS ARE CALLED THEY ALL ADD UP TO THE SAME THING: CORRUPTION." LA NACION EDITORIAL SAID FLATLY THAT "IT SHOULD BE PRESUMED" THAT PART OF THE LIMITED OFFICIAL USE

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MONEY WENT TO PUBLIC OFFICIALS, BECAUSE "IT IS VIRTUALLY IMPOSSIBLE THAT A CONSULTANT FROM OUTSIDE THE GOVERNMENT...COULD BY GOOD LOOKS ALONE OBTAIN A DECISION OF SUCH MAGNITUDE."
MELOY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, BRIBERY, ALLEGATIONS, CONSULTANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GUATEM03710
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750246-0242
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750752/aaaabuhs.tel
Line Count: 112
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 SEP 2003 by CunninFX>; APPROVED <25 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: WALL STREET JOURNAL AND DEL MONTE - PRESS COVERAGE
TAGS: PINT, EINV, GT, WALL STREET JOURNAL, DEL MONTE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006